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Evaluating Social Media Frameworks for Small and Large Organisation

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Abstract

The nature of the business today is very competitive for small businesses (SMEs) since they have limited resources comparing to large organisations. ITs have helped businesses to look for new competing ways in persuading their customers. Social media (SM) are considered one of these technologies and there have been successful existing practical examples in the literature about its effectiveness in business. SM have given SMEs an opportunity to create a global customer base in a cost effective manner which was not possible in other business model. The main aim of this research was to investigate how SMEs can benefit from SM. Although there are many IT adoption models but there are very few which focuses on SM alone. According to our knowledge there is none which focuses on SM adoption by SMEs until the Before, Process and After (BPA) framework has been proposed (Abeysinghe & Alsobhi 2013). This research also aimed to critically review of existing frameworks.

Keywords- Social Media adoption, Small Businesses, Social Media framework

1. Introduction

Despite the size of any organisation in order to remain relevant and in a sustainable competitive position, they have to look for newer and better ways of pursuing and persuading their customers. We believe that there is a correlation between building a successful organisation and constructing a good information technology infrastructure. In the information intensive society we live today, time and speed has become critical factors to customers. Customers are more aware of market trends and substitute products and services available. Technology has become paramount in achieving these objectives. For organisations adopting new technologies and new ways of working is no more a choice. Organisations are turning to technology searching new ways of reaching customers, creating differentiation between them and their competitors. SM are increasingly being used not only as part of organisational processes but to launch businesses as well.

SM have tremendous impact on many aspects of modern life; one of these aspects is the role that SM play in businesses. Many organisations use SM to expand the reach of their products and communicate with their remote offices. There are still some businesses, which are still wary of using SM, citing reasons such as security and privacy issues. Most of the existing literature tend to write about the value of SM and how SM (Murphy 2010) connect the entire world together rather than how to develop a SM strategy to create competitive advantage. Some other literatures focus on strategies (Mangold & Faulds 2009) that organisations can use to implement SM. Little attention has been given to the need for organisation to be prepared before adopting SM especially for the SMEs. This research will help to increase the growing knowledge on adopting SM in SMEs.

2. Background

2.1 Social Media Definition

There are many attempts by different scholars to define SM and these definitions are varying. Some scholars have defined SM from a technological point of view, while others provide definitions based on SM types and functions. Some definitions combine both perspectives. This paper refers to social media in terms of the communication types taking place in different platforms.

2.2 Social media in small businesses

According to the Federation of SMEs in UK (2011), about 99% of UK businesses can be categorised as small. This survey places the actual count of SMEs in UK as 4.5 million. Various organisations define SMEs based on different criteria. We adopt the definition given by the UK Department for Business Innovation and Skills and the European Union (EU): “a small business is a company which has employees fewer than 50 people”.

SM Examiner reports the results of an analysis of 3300 SMEs. According to the report 90% of the companies surveyed stated that SM sites were important to their businesses (Stelzner 2011). Another research by SM Examiner in 2011, shows that the number of marketers using SM has grown to 50% in 2011 from that of 31% in 2010. According to the University Of Maryland 69% of SMEs reported receiving customer recommendations through Facebook (Keith 2011). It is clear that SMEs are increasingly turning to SM for various purposes. Along with the increase adoption of SM, social media crisis is also on the increase. Hatten et al. (1996) raise concerns that inattention to activities such as advertising, public relations and legal matters and can lead a small business to failure and possible bankruptcy.

2.3 Existing Framework for Social Media Adoption

There is plenty of research in the literature about tips on how to adopt SM in businesses successfully. In addition, the literature has covered frameworks for using SM. To our knowledge all these frameworks are for large organisations. We find that very little effort has been made to develop frameworks for helping SMEs to adopt SM. Such Frameworks will help SMEs to have a clear understanding about how SM is used and how to gain competitive advantage from them.

McCarthy & Krishna (2011) have developed a theoretical framework to guide auditing businesses prior to adopting SM. Their framework consists of five questions, which focus on various aspects of SM. Johnston (2011) provides a SM strategy which he calls “follow the five P’s” which are perceive, purpose, people, platform, policy and participation. Dawson (2012) in his blog develops a SM strategy framework, which is divided into two sections: strategy development and engagement. Each section contains multiple stages in order to achieve the success in SM adoption. He claims that many organisations have applied his framework in their business and succeeded. Prohaska (2011) presents a timeline for implementing SM, this timeline works as a SM plan to any organisation. In the literature, there are also frameworks developed to assist SMEs in adopting more specific information technology systems like Integrated Marketing Communications (IMC) (Mangold & Faulds 2009). However, there is still a gap in the literature when it comes to social media adoption by small business.

2.3.1 Framework for assessing the readiness of organisations to adopt social media

Several attempts in the literature have been made to explain Information Technology (IT) adoption within an organisation. A notable effort by Tornatzky and Fleischer's (1990) to create a theoretical framework called Technology-organization-environment (TOE) framework. TOE framework has been adopted and validated by many firms with diverse technology innovations and various contexts. For example, Pan & Jang (2008) have used TOE framework to develop an Enterprise Resource Planner (ERP) in Taiwan.

Based on the TOE framework Omosigbo & Abeyasinghe (2012) have proposed a framework for assessing the readiness of organisations prior to adopting SM. Their framework is influenced by three main factors: technology, organization and environment. Technology describes the current technologies, which are used by the organisation, while environment describes where the organisation is conducting business by targeting audience and selecting

the appropriate SM platforms. Organizational culture, definitive goals, definition of SM metrics, monitoring strategy and align goals with existing strategy are influencing the organisational context (Omosigho & Abeysinghe 2012).

The main aim of (Abeysinghe & Alsobhi 2013) research was to help small business to adopt SM and gain competitive advantages from this adoption. Since there is a lack of SM adoption framework especially for SMEs in the literature, the researchers developed a framework for the SMEs (Abeysinghe & Alsobhi 2013). The framework proposed by Omosigho & Abeysinghe (2012) is based on a good theoretical foundation inherited mainly from TOE framework. Thus, the researcher found that Omosigho & Abeysinghe (2012) framework was a good starting point for their study.

3. Analysis of BPA Framework and the Assessing Readiness Framework

As stated above, the BPA framework is based on Omosigho & Abeysinghe (2012) framework. Their framework was for assessing the readiness of organizations in general to adopt SM. The BPA framework is specific for SMEs. The two frameworks agreed on some concepts and disagreed on others. By the help of SM many people have started their business from their own homes. These businesses should be able to take advantage of the power of the Internet as a tool to grow. Therefore, this framework has been developed especially for SMEs. It would create some resources for SMEs to use to get themselves SM literate when it comes to marketing their services.

Regarding the similar characteristics between the two frameworks, they both shared the same perspective about setting goals before adopting SM. Companies should define the goals they want to actualise with SM before they adopt it. In the same way, both the frameworks believed that organizational culture is an important factor for SM adoption. Companies need to have a culture of knowledge sharing and transparency between management and employees before adopting SM. Monitoring SM engagement is necessary after the SM adoption because it gives companies a sense of where they are now, and what they need to do more. It helps them to understand as well the return on investment of their SM adoption. This concept has been agreed on by both frameworks. Similarly, they both agreed on that the foundation of earning competitive advantages from SM adoption is to align SM strategy and digital strategy with the business functions and priorities.

Defining SM purposes is the second step on the BPA framework. The idea of adding this step is because without a clear purpose companies will struggle around their goals and they would

not know how to reach it. Defining SM goals will give them a sense of guidance in how to achieve their goals. After conducting the case studies analysis, Omosigbo & Abeysinghe (2012) conclude that there is no need for SM policies and guidelines but the focus should be in maintaining some level of freedom and trust amongst members of the organisation. On the other hand, the BPA framework insists on having such a policy because without SM policy employees by default become unsupervised spokespeople for the company. Hence, it may affect the company's image. In SMEs this can be catastrophic.

In contrast to Omosigbo & Abeysinghe (2012) framework, targeting audience and choosing platforms are different factors that influence how businesses adopt technology. Targeting audience is considered as environmental context because the impact of this factor comes from an external factor. On the other hand, deciding which SM platforms to choose is a decision, which depends on companies' goals and recourses hence, it is considered as organisational context.

Table 1 The Main Differences Between Omosigbo & Abeysinghe (2012) Framework and the BPA Framework

| | Omosigbo & Abeysinghe (2012) Framework | The BPA Framework |
|---|---|--------------------------|
| Specialisation | General | Small Businesses |
| Setting Goals | ✓ | ✓ |
| Defining Purposes | × | ✓ |
| Organisational Culture | ✓ | ✓ |
| Social Media Policy | × | ✓ |
| Align Goals and strategies | ✓ | ✓ |
| Targeting audience and platforms | ✓ | ✓ |
| Monitor Engagement | ✓ | ✓ |
| Social Media Metrics | ✓ | × |
| Revise and Update Strategy | × | ✓ |

We believe that defining SM metrics is included under monitoring SM engagement. Hence the BPA framework combines them in one step. Revise and update strategy was added as well to ensure that the SM strategy and policy are up to date especially due to the dynamic nature of SM. It has also been observed that customer behaviour on SM platforms too can change dynamically.

4. Conclusion

The capability of SME's in reaping benefits from SM opportunities depends on how ready they are to embrace not only the technology but also the challenges, which come with it. In

this paper we evaluate frameworks, which can assist SMEs in assessing their readiness to adopt SM. The BPA framework focuses on SMEs that have already adopted SM. This is considered as strength of this framework given that most approaches only focus on prior adoption of technologies.

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